

Network for a Free Society

(previously Atlas Economic Research Foundation (UK))

Annual Report and Financial Statements

Year ended 31 December 2016

Charity no: 262982

Network for a Free Society

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Year ended 31 December 2016

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Network for a Free Society
Reference and Administrative Information
Year ended 31 December 2016

Trustees

L Whetstone, Chairman
M Fisher
R Boyd
K Okonski
B Baugus – appointed 31 October 2016

Unless otherwise stated, the Trustees were in position from 1 January 2016 to the date of this report.

Principal Office

Bassetts Manor
Hartfield
Sussex
TN7 4LA

Independent Examiner

Mark Bullock FCA
Murphy Salisbury Limited
Chartered Accountants
15 Warwick Road
Stratford upon Avon
Warwickshire
CV37 6YW

Bankers

C Hoare & Co, 37 Fleet Street, London EC4P 4DG.

Network for a Free Society

Report of the Trustees

Year ended 31 December 2016

Report of the Trustees for the year ended 31 December 2016

The Trustees present their report and the financial statements for the year ended 31 December 2016. The financial statements have been prepared in accordance with the accounting policies set out on page 13 and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014. An independent examination of these accounts has been carried out and the report of the examiner is included on page 9.

Constitution

The Atlas Economic Research Foundation (UK), working as Network for a Free Society ("NFS") is constituted under a trust deed dated 30 July 1971, as amended by a Scheme sealed on 19 July 1984. It is a charity registered with the Charity Commission for England and Wales, number 262982. In December 2010, with the consent of the Charity Commission, it adopted the working name of Network for a Free Society and is now known by that name.

Organisation

Network for a Free Society (NFS) is governed by its Board of Trustees who are appointed from time to time by the existing Trustees. Potential new Trustees are considered in terms of their fiduciary experience, understanding of the institutions of a free society and relevant special knowledge. As NFS is small and available time of Trustees is limited, the process of identifying candidates is informal and based on personal contact. Candidates are expected to be already familiar with NFS and its work so that they can make an immediate contribution. Training needs of Trustees may be discussed in Trustees' meetings and addressed on an individual basis as appropriate.

NFS is managed by its Chairman/Director. The Chairman/Director reports to the Trustees at Board meetings and seeks advice from them between meetings as necessary. The Trustees are responsible for setting broad policy, agreeing strategy, approving annual budgets and reviewing activities and results. The Treasurer reviews management accounts on a quarterly basis and is informed of all payments over £2,000.

Independence

NFS is a non-governmental, educational and non-partisan organisation. We value highly our independence from political, commercial or other interests and are governed by a strict code of independence. NFS relies entirely on voluntary donations from individuals, foundations, other charities and businesses. We do not accept grants, donations or other payments from governments or their agencies. We do not accept commissions to perform research on behalf of others. We do not work on a 'consultancy' basis and donors do not have undue influence on what we say.

Risk review

The primary risks to which NFS is exposed are reputational, financial and loss of the Chairman/Director. These risks are reviewed at Board Meetings.

Objects

The objects of NFS are to promote the advancement of learning by research into economic and political science and the publication of such research and in particular (1) by promoting the study of the effect of moral and political factors on the operation of economic laws; (2) by advancing knowledge of economic political and international relations; (3) by providing financial support to individuals engaged in research in the field of economic science; and (4) by joining with, collaborating with and supporting other charitable bodies engaged in similar activities.

Network for a Free Society

Report of the Trustees

Year ended 31 December 2016

Aims and strategy

Our goal is to encourage opportunity and prosperity by promoting understanding of the principles of a free and responsible society and the foundations on which it is based: limited government, the rule of law, the protection of private property, free markets and free speech.

We pursue this goal by creating educational material in several languages which is then distributed to colleagues working with students worldwide. Currently we have material in Arabic, Chinese, English, French, Kyrgyz, Farsi, Portuguese, Russian and Turkish.

We also run meetings where our mission is explored and explained and fund fellowships to enable attendance by selected individuals who might not be able to pay all of the costs themselves.

Grant making policy

NFS makes grants to individuals and organisations to enable them to run seminars, conferences, essay competitions, camps and workshops where our CDs and other material that support our mission will be distributed, explored and discussed; and we make grants to individuals to enable them to attend such events. We also make grants for translation of texts that support the mission and for publication in hard or soft copy.

Reserves policy

The Trustees' overall objective is to maintain as high as possible a level of programme activity, and not to accumulate reserves beyond the level appropriate to operational requirements.

The Trustees believe that NFS should hold operating reserves because (i) it has no endowment funding and is entirely dependent for income on donor funding from year to year, which is inevitably subject to fluctuation, and (ii) new programme opportunities frequently arise at short notice. As the levels of income and outgoings cannot be predicted with any certainty, the appropriate level of reserves is likely to fluctuate. The Trustees believe that, as a general principle, the level of operating reserves should be equivalent to six months' budgeted operating expenses.

At 31 December 2016, free reserves, defined by the Charity Commission as unrestricted funds not represented by fixed assets, amounted to £123,844, a decrease from the 2015 level of £128,128.

Investment policy

It is the Trustees' policy to manage investments in a conservative manner, appropriate to the Reserves policy. Investments are not regarded as a permanent endowment, and investment income is not reinvested but used to support NFS's work. Funds available for investment, if any, are invested in professionally managed common investment funds. Investment results are reviewed regularly and policy is reviewed annually. NFS did not hold investments during the year under review. Reserves were held in the form of liquid deposits.

Public Benefit

The Trustees confirm that in exercising their powers and fulfilling their responsibilities in pursuit of the aims described above ("Aims and strategy") they have paid due regard to the guidance on public benefit published by the Charity Commission.

Website and Facebook

Its website and Facebook page are the primary means by which NFS communicates directly with the public.

These sites include: www.networkforafreesociety.org and <http://www.facebook.com/freesociety>.

Network for a Free Society

Report of the Trustees

Year ended 31 December 2016

Financial Review

NFS benefited during the year from the receipt of grants from International Policy Network which enabled programme support in many areas. NFS depends on donations to carry out its programmes which are mostly run by others on a programme by programme basis as funds permit. NFS does not have to raise money for administrative management which is provided on a voluntary basis, nor for office costs which are donated. It does, however, need funds for professional services and for temporary assistance with administration, website creation and support. During 2016 NFS had one salaried employee engaged in translation and in publication support.

NFS's total income was £155,164 (of which £118,346 was restricted), compared with £154,914 in 2015. Donations income was £145,263 compared with £152,774 in 2015. Total expenditure was £174,127. Grants totalling £117,482 were made in 2016 to organisations who ran essay competitions, educational seminars, camps and workshops as well as assisting with the production and distribution of CDs. Administration costs were £7,128. NFS prepares its accounts in Sterling; however, almost all donations are received in US Dollars and almost all grants and other disbursements are similarly made in US Dollars. Accordingly, funds are held in Dollar form pending use and gains or losses are recorded in the accounts depending on fluctuations in the Sterling-Dollar exchange rate. Details of expenditure may be found in the Notes 3-5 to the Accounts on pages 14-15. Total funds carried forward at 31 December 2016 were £133,818, which included restricted funds of £9,974.

2016 Programme Activities

The Istanbul Network for Liberty

NFS supported its registration in and move to Kuala Lumpur, also the employment of a part time CEO and blog/IT manager. The mission is to explore and promote the principles and values of a free society in the Muslim world.

The Arab Center for Scientific Research and Humane Studies in Morocco

NFS has supported the administration costs of some of their events such as their 13th summer school titled: "Five years after the Arab Upheavals: Stakes and Challenges" in Hammamat in Tunisia (22-27 August 2016). There were 7 speakers from Jordan, Egypt, Morocco, Tunisia, Kuwait and 35 selected participants: 14 from Tunisia, 4 from Libya, Algeria and Egypt, 3 from Yemen, 2 from Jordan and 1 each from Morocco, Bahrein, Lebanon and Mauritania. In December, they held a number of consecutive events including the Averroes Academy where 18 - 20 young civil society activists took part in a workshop to equip them with the skills needed to write concise policy papers to promote private and market driven initiatives in their countries.

2016 Rising Tide Foundation Essay Contest for African Undergraduates

The African Liberty Organisation for Development, organised this essay contest for the 6th consecutive year. The topic was 'Entrepreneurs are the creative force in the economy. Is your government helping or hindering them?'. 634 essays were received with entries from 23 countries both of which were all time records. Of the five main prize winners two were from Nigeria and one each from Malawi, Tanzania and South Africa.

The mini-library of about 100 classical liberal texts on a CD

This is produced in several languages by NFS and those in either French or English or both have been made available to partners in Burundi, Cameroon, Ghana, Indonesia, Malawi, Myanmar, Sierra Leone, Tanzania, Thailand, Uganda and Zimbabwe this year. If the customs are likely to be very difficult, NFS sends funding so our partners can get them made in their countries.

Afghanistan

The Afghanistan Economic and Legal Studies Organisation continued to build their online Silk Road Radio Station which promotes free society values and helps to counteract violent extremism. It is a unique program to enable and encourage an exchange of views with young Afghans on topics such as the market economy, freedom of speech, rule of law, good governance and Islam and a free society in Dari, Pashto and English. They also run a series of round table discussions and the newly-published book "Islamic Foundations of a Free Society" was the topic at the most recent one.

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Report of the Trustees

Year ended 31 December 2016

Bosnia

The Center for Advancement and Free Enterprise translated the book by Jesus Huerta de Soro, "Socialism, Economic Calculation and Entrepreneurship", with support from both Atlas Network and NFS. The Dean of the Faculty of Economics at Zenica University has agreed to publish it. The 9th annual Economic Freedom Network meeting was held in Slovenia, and NFS supported two members of CAFÉ, Alma Basic and Dzenita Trako to attend and also paid part of the costs for Edo Omercevic. Organisation 'Multi' organised a conference called Steps with 500 participants. Speakers had to tell the most interesting story of their lives inspired by liberty and entrepreneurship which were all then placed on YouTube. Also, a "Night of Ideas" where 8 teams debated on the topic of youth unemployment, the importance of economic freedom and trends in the shared economy.

Burundi

Aimable Manirakiza was first introduced to the concept of a free society at a Students for Liberty meeting in Kenya in May 2015 where he was given the CD "Ideas for a Free Society" in both English and French. This inspired him to start SFL chapters at universities in Burundi. NFS funded an ambitious quiz contest among 10 SFL university groups and SFL also held regular sessions to discuss the concept of a free society with each university group and selected teams for the contest. The second round of the quiz was between the winning teams from each university and the multiple-choice questions were all related to the book Foundations of a Free Society whose French translation was funded by NFS as was the creation of the French CD.

Ethiopia

Teachings of Entrepreneurship on Antipoverty Movement (TEAM www.teaminitiatives.org) run by Kidus Mehalu, increase public awareness of the concept of a prosperous society through student outreaches. Including distributing copies of the Amharic translation of Foundations of a Free Society to students in the Amhara Region. They also ran a campaign of tax reduction throughout the Ethiopian state of Amhara.

Ghana and Sierra Leone

The Institute for Liberty and Policy Innovation (ILAPI www.facebook.com/BastiatInstituteOfLiberty), distributed CDs for their student outreach and also partnered with the Sierra Leone Liberty Group (SLLG) to host the Free Market and Entrepreneurship Conference in November. It was held in Freetown and 72 people participated in the program which focused on advancing economic freedom and individual responsibility, as well as fostering a grass roots approach to spreading the ideas of liberty.

Iran

During 2016 three books translated by Bardia Garshasbi have been published in hard copy in Iran by Sargol Publishing. Foundations of a Free Society by Eamonn Butler and originally published by the Institute of Economic Affairs in London, It is not a Zero Sum Game and finally What is the Rule of Law by Leon Louw. Apart from being available in hard copy they are widely advertised on Iranian websites including those of the government. Bardia Garshasbi also edits an Iranian magazine called Excellent Organization. In the first 2016 edition there is an exclusive interview with Lord Norman Lamont, and the second includes an interview, mostly on education, with Sir Anthony Seldon (in Farsi and English).

Ivory Coast

The Audace Insitute Afrique (AIA <http://audace-afrique.org>) run by Gisele Dutheuil managed a trial for a new system to reinvent property right in the Ivory Coast. They are using GPS mapping and block chain technology. NFS was involved in the start of this very important project and continues to support to it.

Khazakistan

The Institute for Development and Economic Affairs ran a project co-supported by NFS to engage entrepreneurs in the relationship between the market, entrepreneurship and prosperity. The essay topic is "Entrepreneurship and prosperity", which is one of Kazakhstan's most pressing economic questions. The essay contest is aimed at young professionals, journalist and researchers. It is part of Seedstars CEE Summit in Kazakhstan, an annual international campaign to promote entrepreneurship in

Network for a Free Society

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Year ended 31 December 2016

emerging countries. The flagship event is bringing together more than 300 start-up founders, investors, ecosystem players, leading corporations and successful entrepreneurs from CEE, Middle East, Europe and the US.

Kyrgyzstan

The Central Asian Free Market Institute created the CAFMI Club which introduces young people aged 20 to 28 years to the concepts of economic reforms and research. Their 2016 project which NFS supported involved a two-week course for 15 young activists in universities in Bishkek. The main idea of this event was to develop a stable liberal network in Bishkek city.

Malaysia

The Institute for Democracy and Economic Affairs 2016 project promoted concepts of classical liberalism amongst university students and young Malaysians and involved a series of master classes, similar to the extremely popular ones supported by NFS in previous years, and all of which had three times more applicants than they could accept. These took place in Kangar (Perlis, in the north), Johor (in the south) and Bangi (a semi-urban locality near Kuala Lumpur).

Malawi

The Center for Free Market Enterprise (CFME) lead by Peter Yakobe ran a debate contest in 2015 culminating in a final in 2016. In total, there were debates in four different universities and the finals was well reported in the national media. Later in the year NFS funded a CFME outreach project.

Nepal

Samriddhi, the Prosperity ran a Liberty Debates series created to engage young minds in a discussion about the concept of economic freedom, whilst also encouraging opposing arguments on chosen topics in order for participants to gain an all-round view of the issues under debate. Samriddhi wanted to improve students' ability to debate, their research skills and public speaking skills. A two-day event took place in each three-month period and the Liberty Debates Championship 'Mahasangram 2016' was on 2nd April 2016 at King's College, Babarmahal. A total of 34 teams participated in either English or Nepali categories.

Namibia

The Chevauchee Foundation organised an Angola Liberty project to enable and encourage high school students to read and simultaneously explore the concept of freedom using simple texts in Portuguese. Unfortunately, this was subsequently stopped by the authorities. They also ran student outreach on the World Bank Ease of Doing Business Index comparing results for Namibia and Hong Kong.

Nigeria

The African Liberty Organisation for Development, ALOD runs student seminars in many East African countries. They also give every student the mini library of classical liberal texts on CD 'Ideas for a Free Society' because those sorts of texts are not available to them in their libraries.

Pakistan

The Alternate Solutions Institute organised a five day residential course 'Ideas for a Free and Responsible Society' at Khanaspur, Ayubia with NFS support as they have done for the previous 6 years. There is always much competition to get a coveted place which takes about 35 post graduate students and teachers. Its aim is to educate them in the principles of the philosophy of rights with an emphasis on the concept of economic freedom and its significance for prosperity. They also run student seminars on topics such as the protection of private property and rule of law.

The Policy Research Institute of Market Economics (PRIME) ran a two-day seminar for experienced academics, economists, historians, politicians, political scientists and public intellectuals based in Pakistan who have some basic understanding of issues of liberty in context of political economy, but might not have complete exposure to intellectual arguments for liberty. The 2016 topic was be "State and the Economy in Pakistan: Historical Analysis & Prospects". Participants were hand-picked participants on the basis of their prior understanding and sympathy for pro-liberty arguments.

Network for a Free Society

Report of the Trustees

Year ended 31 December 2016

Tajikistan

The Tajikistan Free Market Centre ran a project which provided training for 24 young activists on critical thinking skills, public speaking and leadership as well as significantly increasing their understanding of free market economics, human rights and political systems. The expected result will be to eventually create a network of clubs and organisations throughout Tajikistan founded and run by alumni of these TFMC training events and other activities.

Tanzania

Students for Liberty Tanzania and the Uhuru Initiative (UIPE) jointly organised an inaugural one day seminar for SFL Tanzania on November 5th with support from SFL, Atlas and NFS. The purpose was to increase the numbers of young people with an understanding of, and interest in the philosophy of liberty and the importance of liberty to entrepreneurship so they then can promote it themselves. There were 107 people at the event which was a full house and since then and partly as a result of this meeting SFL Tanzania have held meetings at other universities to set up SFL chapters there too.

Turkey

The Freedom Research Association mission is to influence public policy from a classical liberal point of view through independent research, sound analysis and advocacy. Their 2016 project with NFS was a workshop series for policy makers with sessions on decentralization, different systems of government and citizenship identity.

Uganda

Mugabe John Socrates started the first Students for Liberty Group in Uganda with the help of sub Saharan SFL and since then NFS has sent him 500 of the CD 'Ideas for a Free Society' because they have no other means of students accessing these ideas. NFS also funded a simple essay contest for only Uganda students with a prize every month. Since then similar events have been held at a number of other universities.

Zimbabwe

The Coalition for Market and Liberal Solutions (COMALISO) ran a stand for four days at the Harare 2016 Book Fair promoting the concepts of liberalism, showing videos from the Acton Institute and giving copies of the handbook Know Your Property Rights as well as the mini library of classical liberal texts on CD "Ideas for a Free Society" to those who visited their stand. Over 200 signed their register but there were many more who were too nervous to put their name on the list.

Future

Plans for 2017 include similar activities to those in 2016 but probably on a smaller scale because of the ending of a significant four-year grant. However, NFS will be running a two-day seminar in Francophone Africa and another in Sub Saharan Africa, each for about 18 participants. They will already have some understanding of the role that freedom plays in human flourishing and will spend the two days with a facilitator discussing texts that expand their knowledge and that understanding.

Statement as to Disclosure of Information

The Trustees who were in office on the date of these financial statements have confirmed that, as far as they are aware, there is no relevant information of which the independent examiner is unaware. Each of the Trustees has confirmed that he/she has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant information and to establish that it has been communicated to the examiner.

Network for a Free Society

Report of the Trustees

Year ended 31 December 2016

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

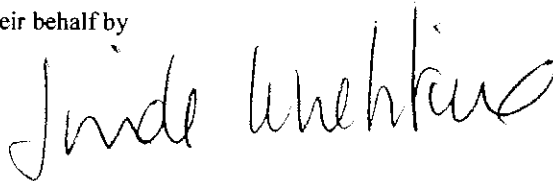
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees and signed on their behalf by

LINDA WHETSTONE
Trustee

Date 7th June 2017



Independent Examiner's Report to the Trustees of the Network for a Free Society.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

As the Charity's trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of Section 144 of the Charities Act 2011 (the Act) does not apply, and that an independent examination is needed. It is my responsibility to examine the accounts under Section 145 of the Act and to follow the procedures specified in the General Directions given by the Charity Commission under Section 145(5) (b) of the Act and to state whether particular matters have come to my attention.

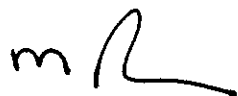
BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with Section 130 of the Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mark Bullock FCA
Murphy Salisbury Limited
Chartered Accountants
15 Warwick Road
Stratford upon Avon
Warwickshire
CV37 6YW

7 June2017

Network for a Free Society
Statement of Financial Activities
Year ended 31 December 2016

	Notes	Unrestricted Income Funds £	Restricted Income Funds £	Total Year to 31 December 2016 £	Total Year to 31 December 2015 £
Income and Endowments from:					
Donations and legacies	1	30,153	115,110	145,263	152,774
Investments	2	447	-	447	471
Other: foreign exchange gains		6,218	3,236	9,454	1,669
TOTAL		36,818	118,346	155,164	154,914
Expenditure on:					
Raising funds	3	1,483	-	1,483	1,730
Charitable activities:					
Grants	4	15,927	101,555	117,482	127,210
Programme activities		16,564	31,470	48,034	47,973
Support costs		7,128	-	7,128	7,143
TOTAL	5	41,102	133,025	174,127	184,056
Net income/(expenditure), being net movement in funds		(4,284)	(14,679)	(18,963)	(29,142)
Reconciliation of Funds:					
TOTAL FUNDS BROUGHT FORWARD	11	128,128	24,653	152,781	181,923
TOTAL FUNDS CARRIED FORWARD	11	123,844	9,974	133,818	152,781

All of the above results are derived from continuing activities.

All gains and losses in the year are included above.

Network for a Free Society

Balance Sheet

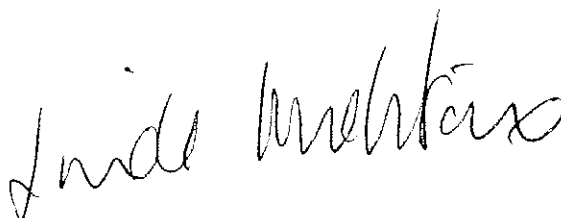
As at 31 December 2016

	Notes	At 31 December 2016 £	At 31 December 2015 £
Current Assets:			
Debtors	8	-	23,333
Cash at bank		141,070	139,455
		<u>141,070</u>	<u>162,788</u>
Creditors: amounts falling due within one year	9	(7,252)	(10,007)
Net current assets		<u>133,818</u>	<u>152,781</u>
 TOTAL NET ASSETS	10	<u>133,818</u>	<u>152,781</u>
 The funds of the charity:			
Unrestricted funds	11	123,844	128,128
Restricted funds	11	<u>9,974</u>	<u>24,653</u>
Total charity funds	11	<u>133,818</u>	<u>152,781</u>

Approved and authorised for issue by the Trustees on 7 June 2017

and signed on their behalf by

LINDA WHETSTONE
Trustee



The notes on pages 13 to 17 form part of these accounts.

Network for a Free Society

Statement of Cash Flows

For the year ended 31 December 2016

		Year to 31 December 2016 £	Year to 31 December 2015 £
Cash flows from operating activities:			
Net cash flow from/(used in) operating activities	(A)	<u>1,168</u>	<u>(50,746)</u>
Cash flows from investing activities:			
Interest		<u>447</u>	<u>471</u>
Net cash provided by investing activities		<u>447</u>	<u>471</u>
 Change in cash and cash equivalents in the year		 1,615	 (50,275)
Cash and cash equivalents brought forward		<u>139,455</u>	<u>189,730</u>
Cash and cash equivalents carried forward		<u>141,070</u>	<u>139,455</u>

(A)

Reconciliation of net (expenditure) to net cash flow from operating activities:

Net (expenditure) for the reporting period (as per the statement of financial activities)	(18,963)	(29,142)
Adjustments for:		
Interest income shown in investing activities	(447)	(471)
Decrease/(Increase in debtors)	23,333	(23,333)
(Decrease)/Increase in creditors	<u>(2,755)</u>	<u>2,200</u>
Net cash flow from/(used in) operating activities	<u>1,168</u>	<u>(50,746)</u>

Network for a Free Society

Principal Accounting Policies

Year ended 31 December 2016

(a) Basis of preparation and going concern

The financial statements have been prepared under the historical cost convention in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

The Trustees confirm that at the time of approving the financial statements, there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. It has already been stated in the Trustees' report that they anticipate a significant decline in total grants received following the current financial year. NFS has only one employee and makes grants according to funding available, so will be able to curtail its activities accordingly. In arriving at this conclusion, the Trustees have taken account of current and anticipated financial performance in the current economic conditions, and the Charity's reserves position. For this reason, the going concern basis continues to be adopted in the preparation of the Charity's financial statements.

(b) Donations and legacies

Donations and legacies are included in the year in which they are receivable, which is when the charity becomes entitled to the resource with reasonable certainty having met all the conditions for its receipt and it can be measured reliably.

(c) Investment income

Investment income is accounted for in the period in which the charity is entitled to receipt.

(d) Expenditure

Expenditure is included on an accruals basis.

Expenditure on raising funds comprise those costs incurred in raising the media profile of the charity and encouraging voluntary donations together with any direct costs of preparing applications for funds.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

Administration costs are those costs incurred in providing a central resource to manage the office of the charity on a day to day basis together with any legal and professional costs, including accountants' fees, and Trustees' expenses incurred in fulfilling the statutory obligations of the charity.

(e) Fund accounting

Details of the nature and purpose of each fund is set out in Note 9. Restricted funds are those donated to the charity for a specific purpose.

(f) Foreign exchange

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the Statement of Financial Activities.

(g) Allocation of expenditure

Expenditure is allocated to a particular activity where the cost relates directly to that activity.

(h) Recognition of liabilities

Liabilities are recognised when either a constructive or legal obligation exists.

Network for a Free Society

Notes to the Financial Statements

Year ended 31 December 2016

1. Donations and legacies

	Unrestricted £	Restricted £	Total 2016 £	Unrestricted £	Restricted £	Total 2015 £
Donations	30,153	115,110	145,263	33,742	119,032	152,774
Total	30,153	115,110	145,263	33,742	119,032	152,774

2. Investment income

	Unrestricted £	2016 £	Unrestricted £	2015
COIF – deposit interest	447	447	471	471
Total	447	447	471	471

3. Raising funds

	Unrestricted £	2016 £	Unrestricted £	2015
Communication	1,483	1,483	1,730	1,730
Total	1,483	1,483	1,730	1,730

Network for a Free Society

Notes to the Financial Statements

Year ended 31 December 2016

4. Grants payable

	Unrestricted £	Restricted £	2016	2015
African Liberty Organisation for Development	707	9,679	10,386	9,446
Afghanistan Economic and Legal Studies Organisation	-	4,828	4,828	3,226
African Students for Liberty	1,639	-	1,639	-
Alternate Solutions Institute, Pakistan	-	8,753	8,753	6,774
Atlas Economic Research Foundation	-	-	-	1,935
Arab Center for Scientific Research and Humane Studies	-	21,218	21,218	23,871
Armenian Liberty Students Organization	1,639	-	1,639	3,226
Armenian Liberal School for Young Lawyers	1,530	-	1,530	-
Association "Multi", Bosnia and Herzegovina	-	3,448	3,448	3,226
Audace Institut Afrique	1,639	-	1,639	4,516
Bastiat Institute of Liberty and Entrepreneurship, Ghana	-	1,385	1,385	-
Centar Za Poslovnu Airmaciju, Bosnia & Herzegovina	1,096	-	1,096	-
Center for Free Market Enterprise, Malawi	2,203	2,931	5,134	2,581
Central Asian Free Market Institute, Kyrgyzstan	-	3,846	3,846	3,226
Chevauchee Foundation	1,035	-	1,035	1,935
Coalition for Market and Liberal Solutions, Zimbabwe	623	-	623	-
East Africa Policy Centre, Nairobi	-	-	-	2,580
Freedom Research Association, Turkey	-	3,448	3,448	1,290
India's Future Foundation	-	-	-	2,605
Institute For Democracy and Economic Affairs, Malaysia	34	15,173	15,207	15,161
Institute for Development and Economic Affairs, Kazakhstan	-	3,846	3,846	3,226
Institute for Liberty and Policy Innovation	-	1,772	1,772	-
Istanbul Network for Liberty	-	8,276	8,276	3,226
Association for Liberal Thinking, Turkey	-	-	-	7,741
PRIME Institute, Pakistan	-	6,897	6,897	12,903
Samriddhi The Prosperity Foundation	-	-	-	3,226
Students for Liberty, Malawi	-	-	-	4,839
Students for Liberty, Burundi	483	671	1,154	-
Students for Liberty, Tanzania	2,459	-	2,459	-
Tajikistan Free Market Centre	-	3,846	3,846	-
Teachings of Entrepreneurship on Antipoverty Movement, Ethiopia	-	1,538	1,538	3,225
Uhuru Initiative for Policy Education, Tanzania	-	-	-	3,226
Travel Grants to Individual Academics	840	-	840	-
Total	15,927	101,555	117,482	127,210

Network for a Free Society

Notes to the Financial Statements

Year ended 31 December 2016

5. Total expenditure

Costs directly related to activities:	2016	2015
Raising funds:		
Communication	1,483	1,730
Support costs:		
Accounting and office costs	3,415	3,346
Bank fees	1,343	1,217
Governance costs:		
Independent examiner's fees	2,370	2,580
	7,128	7,143
Charitable activities:		
Grants	117,482	127,210
Programme activities:		
Arabic Project – from restricted funds	81	4,409
Farsi Project – from restricted funds	31,389	41,777
Farsi Project – from unrestricted funds	11,609	-
Miscellaneous Projects/Translations – from restricted funds	-	968
Miscellaneous Projects/Translations – from unrestricted funds	4,955	819
	48,034	47,973
Total resources expended	174,127	184,056

6. Staff costs and remuneration of trustees

Staff costs:	2016	2015
	£	
Wages and salaries, including redundancy payment	41,958	38,000
Social security costs, net of employment allowance	1,031	3,630
	42,989	41,630

The average number of staff employed, calculated as full time equivalents, during the year was as follows:

2016	2015
No.	No.
1	1

No employee received remuneration of more than £60,000 in either the current or preceding year.

None of the Trustees received any remuneration or expenses from, or made any donations to, the charity during either the current or previous years. There was an amount owed to the Chairman at the year end of £1,394 (2015:£774).

Senior management responsibilities are assumed by the Chairman, who receives no remuneration.

7. Taxation

The charity is exempt from corporation tax on its charitable activities.

Network for a Free Society

Notes to the Financial Statements

Year ended 31 December 2016

8. Debtors: amounts falling due within one year

	2016	2015
	£	£
Accrued income	-	23,333
Total	-	23,333

9. Creditors: amounts falling due within one year

	2016	2015
	£	£
Other creditors	2,394	774
Taxation and social security	1,488	5,629
Accruals	3,370	3,604
Total	7,252	10,007

10. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Current Assets	131,096	9,974	141,070
Current Liabilities	(7,252)	-	(7,252)
Total	123,844	9,974	133,818

11. Unrestricted and restricted funds

	At 1 January 2016	Incoming Resources	Outgoing Resources	At 31 December 2016
	£	£	£	£
Unrestricted funds	128,128	36,818	(41,102)	123,844
Restricted funds:				
Ideas CD project	6,451	74,176	(80,337)	290
Arabic Project	14,644	16,339	(21,299)	9,684
Farsi Project	3,558	27,831	(31,389)	-
Total restricted funds	24,653	118,346	(133,025)	9,974
Total funds	152,781	155,164	(174,127)	133,818

Unrestricted funds – comprise those funds which the Trustees are free to use in accordance with the charitable objects.

Restricted funds – are funds which have been given for particular purposes and projects: the ideas CD project involves the translation of texts and creation and distribution of CDs; and there are specific projects relating to Arabic and Farsi translations.

12. Related Party Transactions

There were no related party transactions for the year ended 31 December 2016.